

CLEARANCE REQUEST PRESENTATION CONTENT GUIDE

For noncompetitive acquisitions, the clearance request presentation shall include the following information:

- a. Members of the negotiation team.
- b. Overview and status of user needs, program direction, and acquisition plan.
- c. Description of what the Government is buying, including a picture of the item, if appropriate. List specific items to be bought or tasks to be performed. Clearly differentiate between basic contract requirements and options.
- d. Negotiation objective/information. The objectives are the negotiations team's goals, i.e., the agreements the team expects to have upon concluding negotiations. If traditional pricing is used, present the contractor's proposed position and the objective for each item discussed, and identify any anticipated negotiation issues. If IPT pricing is used, present the contractor's position, the Government's objective, any agreements reached with the contractor, and identify an issues still requiring resolution before settlement can be reached. Regardless of the pricing technique used, discuss the following:
 1. Requirements and technical approach, including delivery schedule or period of performance;
 2. Financial terms and conditions. Examples include when major deliverables are to be accepted, any payment arrangements other than those provided by standard FAR clauses, funding limitations, contingent liabilities, indemnification clauses;
 3. Other terms and conditions. Examples include data rights agreements, product warranties, conflict of interest clauses;
 4. Pricing information relevant to price or cost analysis performed;
 5. Incentive arrangements. Explain specific Government objectives and demonstrate how the incentive structure was developed to achieve those objectives. For the contract type pricing arrangement (e.g., FPIF), use graphs to illustrate the cost/profit relationship embodied in the contractor's proposal and the objective. Where other incentives are being used (e.g., performance incentives, schedule incentives, or award fee), describe any required or implicit interrelationships among the incentives and be prepared to provide examples of how they will operate in foreseeable situations; and
 6. Other pricing terms and conditions, such as economic price adjustment clauses and pricing adjustment agreements (sometimes referred to as savings clauses), which call for a price adjustment if certain events occur.
- e. Additional considerations, such as:
 1. Pressures on the Government and the contractor.
 2. Negotiation schedule and agenda.

**NOTE: THESE CHARTS ARE A
SUGGESTED LEVEL OF DETAIL.
PLEASE ADD OR DELETE
CHARTS AS APPROPRIATE.**

REQUEST FOR CLEARANCE

**NAME OF PROGRAM
CONTRACT NUMBER**

DATE OF CAA BRIEFING

PURPOSE

- **DOCUMENT PRELIMINARY PRICE
PRENEGOTIATION OBJECTIVE PER FAR 15.406 AND
AFFARS 5301.9007(b)(2)(ii)**
- **REQUEST BUSINESS CLEARANCE PER AFFARS
5301.9008(a) AND (c)**

BACKGROUND

- **NAME/SYMBOL OF PROGRAM OFFICE**
- **NAME/LOCATION OF CONTRACTOR**
- **AIR FORCE NEGOTIATION TEAM (AFNT)**
 - **CONTRACTING OFFICER**
 - **PROGRAM MANAGER**
 - **BUYER**
 - **PRICE ANALYST**

BACKGROUND (CONT'D)

- **NAME/DESCRIPTION OF ITEM BEING ACQUIRED
(INCLUDE PICTURE IF AVAILABLE)**
- **PURCHASE HISTORY OF SAME OR SIMILAR ITEMS**
 - PAST QUANTITIES
 - PAST PRICES
 - DATES/PERIODS OF PERFORMANCE
- **ACQUISITION MILESTONES AND PHASES**

CURRENT ACQUISITION

- **CONTRACTING AUTHORITY**
 - J&A (LIST FAAA EXCEPTIONS), CHANGES CLAUSE, OPTION, ETC.
- **QUANTITIES AND DELIVERY SCHEDULE**
- **IDENTIFY CONTRACT TYPE**
 - IF CPIF/FPIF: SHOW INCENTIVE GEOMETRY
 - IF AWARD FEE INCLUDED THEN ADDRESS:
 - » USE OF BASE FEE
 - » EVALUATION PERIOD(S)
 - » WHAT IS BEING INCENTIVIZED
 - » IDENTIFY FEE DETERMINING OFFICIAL
 - » ROLLOVER
 - OTHER INCENTIVE ARRANGEMENTS

CURRENT ACQUISITION (CONT'D)

- **PERIOD OF PERFORMANCE**
- **FUNDING SITUATION/STATUS**
 - FULL/INCREMENTAL FUNDING
 - TYPE/YEAR OF FUNDS
 - AMOUNT CURRENTLY COMMITTED
- **FINANCING ARRANGEMENT**
 - PROGRESS PAYMENTS? RATE?
 - PERFORMANCE-BASED PAYMENTS?
 - COMMERCIAL PAYMENTS?
- **IF DEFINITIZING UCA(S), INDICATE:**
 - NTE PRICE
 - DATES OF UCA AND AUTHORIZED EXPIRATION DATE
 - PERCENTAGE OF WORK COMPLETED (COST INCURRED AS PERCENTAGE OF COST OBJECTIVE)

MILESTONE SCHEDULE

- **AT A MINIMUM, PROVIDE DATES FOR THE FOLLOWING MILESTONES:**
 - SOLICITATION RELEASE
 - PROPOSAL RECEIPT
 - CLEARANCE APPROVAL
 - NEGOTIATIONS COMPLETE
 - AWARD
- **ADD MILESTONES AS APPROPRIATE:**
 - EXAMPLES: ASP, J&A, AP/SAMP, UCA ISSUED, ETC.

NEGOTIATION ISSUES

- **STATUS OF SIGNIFICANT TERMS AND CONDITIONS**
 - **UNIQUE CLAUSES**
 - » **EXAMPLES: WARRANTIES, DATA RIGHTS, EPA, CONFLICTS OF INTEREST, SAVINGS CLAUSES, ETC.**
 - » **INDICATE PROPOSED AND AIR FORCE POSITIONS WITH RATIONALE**
- **OTHER ISSUES**
 - **EXAMPLES: TECHNICAL CONCERNS, DELIVERY SCHEDULES, RISKS, ADVERSE AUDIT AND CONTRACTOR SYSTEMS ISSUES RESOLUTION, ETC.**
- **AUDIT AND TECH REPORT NUMBERS AND DATES**

PRICE SUMMARY

<u>ITEM</u>	<u>PROPOSAL DATE</u>	<u>OBJECTIVE</u>	<u>VARIANCE</u>
SUBTOTAL COST	\$000,000,000	\$000,000,000	00%
FCCOM	<u>00,000,000</u>	<u>00,000,000</u>	00%
COST	\$000,000,000	\$000,000,000	00%
PROFIT/FEE	<u>00,000,000</u>	<u>00,000,000</u>	00%
PRICE	<u><u>\$000,000,000</u></u>	<u><u>\$000,000,000</u></u>	00%
PROFIT/FEE RATE	00.00%	00.00%	
CONTRACT TYPE			
INCENTIVE STRUCTURE			
OPTION PRICE(S)	\$000,000,000	\$000,000,000	00%

Explanation: When using IPT pricing, the variance column should be changed to indicate "preliminary agreement" on all pricing charts.

COST SUMMARY

<u>ITEM</u>	<u>PROPOSED</u>	<u>OBJECTIVE</u>	<u>VARIANCE</u>
MATERIAL	\$000,000,000	\$000,000,000	00%
MATERIAL OVERHEAD	000,000,000	000,000,000	00%
INTERDIV. TRANSFERS	000,000,000	000,000,000	00%
ENGRG LABOR	000,000,000	000,000,000	00%
ENGRG OVERHEAD	000,000,000	000,000,000	00%
MFG LABOR	000,000,000	000,000,000	00%
MFG OVERHEAD	000,000,000	000,000,000	00%
OTHER COST	000,000,000	000,000,000	00%
G & A EXPENSE	000,000,000	000,000,000	00%
SUBTOTAL	\$000,000,000	\$000,000,000	00%
FCCOM	000,000,000	000,000,000	00%
TOTAL COST	\$000,000,000	\$000,000,000	00%
PROFIT/FEE	000,000,000	000,000,000	00%
PRICE	\$000,000,000	\$000,000,000	00%

MATERIAL COST SUMMARY

<u>ITEM</u>	<u>PROPOSED</u>	<u>OBJECTIVE</u>	<u>VARIANCE</u>	<u>PRELIMINARY AGREEMENT</u>
CATEGORY 1	\$000,000,000	\$000,000,000	00%	
CATEGORY 2	000,000,000	000,000,000	00%	
CATEGORY 3	000,000,000	000,000,000	00%	
CATEGORY 4	000,000,000	000,000,000	00%	
CATEGORY 5	000,000,000	000,000,000	00%	
TOTAL MATERIAL	<u>\$000,000,000</u>	<u>\$000,000,000</u>	00%	

EXPLANATION:

PROVIDE RATIONALE ADDRESSING HOW PROPOSAL AND OBJECTIVE WERE DEVELOPED AND REASONS FOR VARIANCE.

SUBCONTRACTS/INTERDIV OVER \$1M

<u>NAME</u>	<u>PROPOSED</u>	<u>OBJECTIVE</u>	<u>VARIANCE</u>
SUBCONTRACTOR	\$000,000,000	\$000,000,000	00%
SUBCONTRACTOR	000,000,000	000,000,000	00%
SUBCONTRACTOR	000,000,000	000,000,000	00%
SUBCONTRACTOR	000,000,000	000,000,000	00%
INTERDIVISIONAL	000,000,000	000,000,000	00%
INTERDIVISIONAL	000,000,000	000,000,000	00%
TOTAL	<u>\$000,000,000</u>	<u>\$000,000,000</u>	

EXPLANATION:

PROVIDE RATIONALE ADDRESSING HOW PROPOSAL AND OBJECTIVE WERE DEVELOPED AND REASONS FOR VARIANCE.

ADDRESS COST/PRICE ANALYSES REQUIRED BY FAR 15.404-3.

ENGINEERING LABOR HOUR SUMMARY

<u>ITEM</u>	<u>PROPOSED</u>	<u>OBJECTIVE</u>	<u>VARIANCE</u>
CATEGORY 1	000,000,000	000,000,000	00%
CATEGORY 2	000,000,000	000,000,000	00%
CATEGORY 3	000,000,000	000,000,000	00%
CATEGORY 4	000,000,000	000,000,000	00%
CATEGORY 5	000,000,000	000,000,000	00%
TOTAL HOURS	<u>000,000,000</u>	<u>000,000,000</u>	00%

EXPLANATION:

PROVIDE RATIONALE ADDRESSING HOW PROPOSAL AND OBJECTIVE WERE DEVELOPED AND REASONS FOR VARIANCE.

MANUFACTURING LABOR HOUR SUMMARY

<u>ITEM</u>	<u>PROPOSED</u>	<u>OBJECTIVE</u>	<u>VARIANCE</u>
CATEGORY 1	000,000,000	000,000,000	00%
CATEGORY 2	000,000,000	000,000,000	00%
CATEGORY 3	000,000,000	000,000,000	00%
CATEGORY 4	000,000,000	000,000,000	00%
CATEGORY 5	000,000,000	000,000,000	00%
TOTAL HOURS	<u>000,000,000</u>	<u>000,000,000</u>	00%

EXPLANATION:

PROVIDE RATIONALE ADDRESSING HOW PROPOSAL AND OBJECTIVE WERE DEVELOPED AND REASONS FOR VARIANCE.

LABOR RATE SUMMARY

<u>ITEM</u>	<u>PROPOSED</u>	<u>OBJECTIVE</u>
CATEGORY 1	\$00.00	\$00.00
CATEGORY 2	\$00.00	\$00.00
CATEGORY 3	\$00.00	\$00.00
CATEGORY 4	\$00.00	\$00.00
CATEGORY 5	\$00.00	\$00.00
CATEGORY 6	\$00.00	\$00.00

EXPLANATION:

ADDRESS FORWARD PRICING RATE AGREEMENTS (FPRA) AND FORWARD PRICING RATE RECOMMENDATIONS (FPRR). IF FPRAs OR FPRRs DO NOT EXIST, INDICATE HOW RATES WERE DERIVED (EXAMPLE - DCAA RECOMMENDATIONS).

OVERHEAD RATES

<u>ITEM</u>	<u>PROPOSED</u>	<u>OBJECTIVE</u>
CATEGORY 1	000.0%	000.0%
CATEGORY 2	000.0%	000.0%
CATEGORY 3	000.0%	000.0%
CATEGORY 4	000.0%	000.0%
CATEGORY 5	000.0%	000.0%
CATEGORY 6	000.0%	000.0%

EXPLANATION:

ADDRESS FORWARD PRICING RATE AGREEMENTS (FPRA) AND FORWARD PRICING RATE RECOMMENDATIONS (FPRR). IF FPRAs OR FPRRs DO NOT EXIST, INDICATE HOW RATES WERE DERIVED (EXAMPLE - DCAA RECOMMENDATIONS).

OTHER COST SUMMARY

<u>ITEM</u>	<u>PROPOSED</u>	<u>OBJECTIVE</u>	<u>VARIANCE</u>
CATEGORY 1	\$000,000,000	\$000,000,000	00%
CATEGORY 2	000,000,000	000,000,000	00%
CATEGORY 3	000,000,000	000,000,000	00%
CATEGORY 4	000,000,000	000,000,000	00%
CATEGORY 5	000,000,000	000,000,000	00%
TOTAL OTHER COSTS	<u>\$000,000,000</u>	<u>\$000,000,000</u>	00%

EXPLANATION:

PROVIDE RATIONALE ADDRESSING HOW PROPOSAL AND OBJECTIVE WERE DEVELOPED AND REASONS FOR VARIANCE.

WEIGHTED GUIDELINES (WGL)

CONTRACTOR RISK FACTORS

	<u>WEIGHT</u>	<u>RANGE</u>	<u>FACTOR</u>	<u>BASE</u>	<u>PROFIT</u>
TECHNICAL RISK	40%	2% TO 6%	4.0%		
MANAGEMENT RISK	30%	2% TO 6%	4.0%		
COST RISK	30%	2% TO 6%	4.0%		
TOTAL PERFORMANCE RISK			4.0%	\$000,000,000	\$000,000,000
CONTRACT TYPE:	FFP	2% TO 4%	3.0%	\$000,000,000	\$000,000,000

LGTH FACTOR T. RATE COSTS FINANCED

WORKING CAPITAL	0.00	00.000%	\$000,000,000	\$000,000,000
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FACILITIES CAPITAL EMPLOYED

	<u>RANGE</u>	<u>VALUE</u>	<u>BASE</u>	<u>PROFIT</u>
BUILDINGS	10% TO 20%	15%	\$000,000,000	\$000,000,000
EQUIPMENT	20% TO 50%	35%	\$000,000,000	\$000,000,000

PROFIT SUMMARY

	<u>MARKUP</u>	<u>PROFIT</u>	<u>PROFIT</u>
AFNT OBJECTIVE PROFIT	00.00%	00.00%	\$000,000,000
CONTRACTOR PROPOSED PROFIT	00.00%	00.00%	\$000,000,000

WGL EXPLANATION

- **PERFORMANCE RISK:**
- **CONTRACT TYPE:**
- **WORKING CAPITAL:**
- **FACILITIES CAPITAL:**

INCENTIVE STRUCTURE

- **PROVIDE EXPLANATION FOR:**
 - **FPIF - SHARE RATIOS AND CEILING COMPUTATION**
 - **CPIF - SHARE RATIOS, MAXIMUM FEE, MINIMUM FEE**
 - **AWARD FEE - BASE AND AWARD FEE POOLS**

SUMMARY OF PRICING ISSUES

- PRICING ISSUE # 1
- PRICING ISSUE # 2
- PRICING ISSUE # 3
- PRICING ISSUE # 4

NEGOTIATION RANGE REQUEST

- **PROVIDE EXPLANATION TO SUPPORT RANGE REQUEST FOR COST, PROFIT, PRICE AND INCENTIVE STRUCTURE AS DEEMED APPLICABLE BY THE AFNT. EXAMPLES WHERE NEGOTIATION RANGE MAY BE APPROPRIATE ARE:**
 - **PENDING RATE CHANGES (NEW FPRA OR FPRR)**
 - **VENDOR PRICE CHANGES OR PURCHASE ORDERS**
 - **NEGOTIATED SUBCONTRACTS**
 - **UPDATED ACTUALS**

SUMMARY AND CONCLUSIONS

BASED UPON THE OBJECTIVE PRESENTED, THE AIR FORCE NEGOTIATION TEAM REQUESTS CLEARANCE APPROVAL TO PROCEED WITH NEGOTIATIONS.

	PROPOSAL	AIR FORCE	REQUESTED
	<u>DATE</u>	<u>OBJECTIVE</u>	<u>RANGE TO</u>
COST	\$000,000,000	\$000,000,000	AS
PROFIT/FEE	<u>000,000,000</u>	<u>000,000,000</u>	<u>APPLICABLE</u>
PRICE	<u>\$000,000,000</u>	<u>\$000,000,000</u>	<u>\$000,000,000</u>
PROFIT/FEE RATE	00.00%	00.00%	00.00%

INCENTIVE ARRANGEMENTS AS APPLICABLE.

LIST OTHER APPROVALS REQUESTED SUCH AS SAVINGS CLAUSES, WARRANTY, ETC.